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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Report of the Advisory Committee on Administrative and Budgetary Questions

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Introduction

1. During its meetings held from 5 February to 5 April 2002, the Advisory Committee on Administrative and Budgetary Questions considered the financial performance reports for the period from 1 July 2000 to 30 June 2001 and the proposed budgets for the period from 1 July 2002 to 30 June 2003 of the peacekeeping operations listed below. The Committee's reports on each of these missions are presented as addenda to the present report:

(a) United Nations Observer Mission in Georgia (UNOMIG) (A/56/887/Add.1);

(b) United Nations Mission in Bosnia and Herzegovina (UNMIBH), including the liaison offices in Zagreb and Belgrade and the United Nations Mission of Observers in Prevlaka (UNMOP) (A/56/887/Add.2);

(c) United Nations Mission in Sierra Leone (UNAMSIL) (A/56/887/Add.3);

(d) United Nations Peacekeeping Force in Cyprus (UNFICYP) (A/56/887/Add.4);

(e) United Nations Iraq-Kuwait Observation Mission (UNIKOM) (A/56/887/Add.5);

(f) United Nations Interim Administration Mission in Kosovo (UNMIK) (A/56/887/Add.6);

(g) United Nations Interim Force in Lebanon (UNIFIL) (A/56/887/Add.7);

(h) United Nations Disengagement Observer Force (UNDOF) (A/56/887/Add.8);

(i) United Nations Mission in Ethiopia and Eritrea (UNMEE) (A/56/887/Add.9);

(j) United Nations Logistics Base at Brindisi, Italy (UNLB) (A/56/887/Add.10);

(k) United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) (A/56/887/Add.11).

2. The Advisory Committee also considered the proposed budget for the United Nations Organization Mission in the Democratic Republic of the Congo for the period from 1 July 2001 to 30 June 2002 (A/56/660). The Committee submitted its related report on the financing of MONUC in document A/56/845.

3. The Advisory Committee also considered the updated financial performance report of the United Nations Protection Force (UNPROFOR), the United Nations Confidence Restoration Operation in Croatia (UNCRO), the United Nations Preventive Deployment Force (UNPREDEP) and the United Nations Peace Forces headquarters (A/56/852), submitted pursuant to paragraph 8 of General Assembly resolution 55/265. The Committee's comments on the Secretary-General's report are contained in paragraphs 76 to 83 below.

4. The Advisory Committee further considered the final performance reports of the United Nations Mission in Haiti (UNMIH) (A/56/851), the United Nations Support Mission in Haiti (UNSMIH), the United Nations Transition Mission in Haiti (UNTMIH) and the United Nations Civilian Police Mission in Haiti (MIPONUH) (A/56/841), the United Nations Preventive Deployment Force (UNPREDEP) (A/56/842) and the United Nations Transitional Administration for Eastern Slavonia,

Baranja and Western Sirmium (UNTAES) and the Civilian Police Support Group (A/56/844). The Committee's comments on the final performance of these closed missions are contained in paragraphs 76 to 83 below.

5. The Advisory Committee considered the reports of the Secretary-General on the concept of strategic deployment stocks and its implementation (A/56/870) and on the support account (A/56/882 and A/56/885). The comments and recommendations of the Committee on the report on strategic deployment stocks are contained in document A/56/902; comments and recommendations relating to the support account will be issued in due course.

6. The Advisory Committee also had before it the report of the Secretary-General on the instances for which the United Nations is entitled to restitution as a result of non-compliance with status-of-forces or other agreements (A/56/789). The Committee's observations on the report of the Secretary-General are contained in paragraphs 30 and 31 below.

7. By its resolution 1394 (2002) of 27 February 2002, the Security Council extended the mandate of the United Nations Mission for the Referendum in Western Sahara (MINURSO) for two months, until 30 April 2002, and requested the Secretary-General to provide a report on the situation in Western Sahara before the end of the present mandate. In view of changed circumstances and pending further developments, the Advisory Committee postponed consideration of the financial performance report for the period from 1 July 2000 to 30 June 2001 and of the budget for the period from 1 July 2002 to 30 June 2003 of MINURSO.

8. In its previous reports (see, for example, A/52/860, A/53/895, A/54/841 and A/55/874), the Advisory Committee has regularly commented on the timely submission of performance reports and budget estimates. During its meetings from February to April 2002, in most cases, the Committee had before it only advance copies of the reports in English and, in some instances, only sections of the advance copies of the reports. This caused considerable difficulties to the Committee. Furthermore, it is unacceptable for the Committee to begin consideration of the reports of the Secretary-General without having had the opportunity for adequate preparation. The current situation represents a marked deterioration in the schedule of documentation foreseen when General Assembly resolution 49/233 A was adopted. For example, the budget proposal for the support account was submitted to the Committee only on 20 March 2002. The delays experienced by the substantive services in producing the various reports of the Secretary-General have in turn increased the pressure on the conference services which have to translate, print and distribute these reports.

9. **The Committee reiterates that there is a need to restore the discipline concerning timely preparation and submission of documents for consideration by the Advisory Committee and the Fifth Committee if the timetables envisaged in the Advisory Committee's report of 18 November 1994 (A/49/664) and resolution 49/233 A are to be met.** In this connection, the Committee notes the schedule of submission of performance and budget reports (A/56/885, table 35). The Committee notes, in particular, that budgets for all active missions would be submitted to the Department of General Assembly Affairs and Conference Services by 31 January and that the budget for the support account would be submitted by 28 February. The Committee welcomes this information and trusts that the Department will ensure the timely processing of the reports.

10. The proposed deadlines for submission of documentation to the Department of General Assembly Affairs and Conference Services would represent progress towards a return to the schedule envisaged in the recommendations made by the Committee in 1994 (see A/49/664), as endorsed by the General Assembly in its resolution 49/233 A. **The Committee points out that the original aim was to have reports, which the Secretariat was struggling to complete in October and November (often in fact submitting them in December and causing consequent difficulties for both the Advisory Committee and the Fifth Committee) available in all languages before the end of January.**

Report of the Board of Auditors

11. The Advisory Committee also considered the report of the Board of Auditors to the General Assembly on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2001 (A/56/5, vol. II, chap. II). The Committee's comments and observations on the report of the Board are included, where appropriate, in the paragraphs below. **The Committee recommends that annex II to the report of the Board of Auditors on follow-up action to implement the recommendations of the Board in the previous period be organized by themes. Similarly, the report of the Secretary-General (A/56/66 and Add.1 and 2) should also be presented by themes. It should indicate changes and results rather than stating whether a particular recommendation of the Board has been implemented. The attainment of this goal would be facilitated considerably by the extent to which the recommendations of the Board are clear, specific and capable of being monitored in the implementation process with a view to measuring results. To this end, the Committee proposes to discuss with the Board of Auditors the merits of more frequent consultations with it with a view to pursuing effective implementation of the Board's recommendations.**

Expenditures and unencumbered balances

12. A summary of the financial performance of peacekeeping missions for the period ending 30 June 2001 is contained in annex I.A to the present report. For the reasons given in paragraph 14 below, the figures exclude expenditure for the support account and for the United Nations Logistics Base. For the peacekeeping operations listed in that annex, expenditures amounted to $2,307.9 million gross (column 3 minus column 4), against appropriations of $2,566 million gross, reflecting an unencumbered balance of $258.1 million, or 10.1 per cent of the appropriations (column 4 divided by column 3). For the preceding period, from 1 July 1999 to 30 June 2000, the unencumbered balance in the performance reports amounted to $175.2 million, or 10.3 per cent of the appropriations of $1,705.2 million (see A/55/874, para. 17).

13. In the various reports of the Secretary-General and the related reports of the Advisory Committee, reasons have been given for the unencumbered balances. For the period 2000/2001, as in the previous period, the high level of unencumbered balances reflects significant implementation difficulties. **The Committee has taken these unencumbered balances into account when making its recommendations on budget requirements for the period 2002/2003.**

14. The Committee enquired about the appropriateness of including amounts for the support account for peacekeeping operations and for the United Nations Logistics Base at Brindisi when calculating the percentage of unencumbered balance

in financial performance reports as against appropriation. According to the Secretariat, the inclusion has been a standard practice and it is necessary in order to reflect consistency between financial performance reports and the audited financial statements of peacekeeping operations; approved resources for the support account and UNLB are simultaneously reflected as apportionment and expenditure in equal amounts. The Committee was provided with a comparison of apportionment and unencumbered balance inclusive and exclusive of amounts for the support account and UNLB for the period from 1 July 2000 to 30 June 2001 (see annex I.B to the present report). **The Committee is of the view that in the future the unencumbered balance for each peacekeeping operation should be compared with the appropriation for the mission concerned excluding amounts for the support account and UNLB.**

15. For the support account, expenditure for the period from 1 July 2000 to 30 June 2001 amounts to $62 million gross, against $59.9 million gross authorized by the General Assembly, resulting in overexpenditure of $2.1 million gross (see A/56/882, paras. 6-10). For UNLB, expenditure for the period amounts to $7.7 million gross, against the approved budget of $9.3 million gross, leaving an unencumbered balanced of $1.6 million gross, or 16.8 per cent of the approved budget (see A/56/760, para. 13).

Unliquidated obligations

16. As can be seen from annex I.C, the total of unliquidated obligations for the period from 1 July 2000 to 30 June 2001 amounted to $314.7 million, comprising $214.2 million under Governments and $100.5 million under other, as at 31 December 2001. As can be seen in table 1, at 28 February 2002 unliquidated obligations amounted to $302 million.

Table 1
Unliquidated obligations for the period from 1 July 2000 to 30 June 2001
(United States dollars)

Mission	*Performance report*[a]	*As percentage of apportionment*	*Current status*[b]
MINURSO	4 275 300	9.2	1 347 174
MONUC	102 559 000	37.6	31 131 911
UNAMSIL	248 487 100	45.2	109 093 957
UNDOF	13 406 600	38.4	2 653 158
UNFICYP	12 300 300	30.0	1 391 687
UNIFIL	77 781 700	39.1	18 491 223
UNIKOM	12 921 600	25.9	3 917 721
UNMEE	94 597 000	52.6	29 397 835
UNMIBH	8 580 200	5.7	3 259 559
UNMIK	63 237 200	14.1	16 518 651
UNOMIG	4 363 600	15.4	742 644
UNTAET	191 803 400	34.1	84 029 204
Total	**834 313 000**		**301 974 724**

[a] A good part of the unliquidated obligations relate to provision for reimbursement to Member States for troop costs, contingent-owned equipment and the like.
[b] At 28 February 2002.

Contingent liabilities and accounts payable

17. The Board of Auditors has indicated that verified claims received from troop-contributing countries of approximately $8 million were reported, in a note to the financial statements for the financial period ended 30 June 2001, as contingent liabilities, rather than as accounts payable. In the opinion of the Board, the financial statements for the period ended 30 June are, therefore, understated by an amount of approximately $8 million in respect of both expenditure and liabilities. The Committee notes that the Secretariat advised the Board that only after approval of a financing resolution by the General Assembly could obligations or liabilities be recorded (see A/56/5, vol. II, chap. II, paras. 38-42). The Committee has already stated its view on this subject (A/55/878, para. 4). **The Committee agrees with the Secretariat that an account payable is subject to a prior action by the General Assembly to provide authority for the Secretary-General to designate a liability as an account payable.**

Flexibility

18. The Committee recalls its comments about the flexibility granted the Secretary-General in administering appropriations for peacekeeping operations and the intention of the Committee to monitor the use of this flexibility (see A/54/841, para. 16). During the examination of performance reports for the period ending 30 June 2001, the Committee again noted numerous overexpenditures, particularly for items in operational activities. In many instances, as shown in the relevant individual reports of the Committee, better budget preparation would have obviated such overexpenditures. In other situations, the Committee has expressed concern about actions taken to incur expenditure that should clearly have been included in the proposed estimate. For example, in one case, a mission headquarters was dismantled for no apparent immediate operational urgency (see A/56/887/Add.9, paras. 34 and 35).

19. Accordingly, **the Advisory Committee draws attention to the fact that even though the General Assembly authorizes the Secretary-General to exercise flexibility in implementing the overall budget of peacekeeping missions, that flexibility must be exercised in a manner that does not call into question the basis on which the initial estimates were prepared and submitted to the Assembly. Cost overruns for items included in the estimates approved by the Assembly on the basis of recommendations of the Committee must not be confused or equated with initiation of completely new activities that have no adequate operational justification in terms of mandate implementation.**

Presentation of performance reports and budget estimates

20. **The Committee is concerned about the quality of the presentation of a number of reports containing budget estimates. For example, in some reports, descriptions of organizational units and the personnel requested is repetitive. The Committee has noted, further, a recent tendency to confuse the differences between the concepts new posts, redeployments and reclassification. For example, a new post at a higher grade is requested, with the existing post to be redeployed, when in fact the objective is to reclassify the existing function (UNLB; see A/56/871); in another instance, reclassification of an existing post has been requested, the same post, at its existing (lower) level, simultaneously**

being proposed for redeployment (UNAMSIL; see A/56/621). The Committee stresses the need to maintain established practice and budgetary discipline. The Committee has submitted comments and recommendations for the improvement of the reports concerned (see, for example, A/56/845) and welcomes the limited action taken so far in this regard (see MONUC estimates for 2002/2003 (A/56/897)).

Budget proposals for 2001/2002

21. The General Assembly has so far approved $2.7 billion for the peacekeeping operations for the period 2001/2002, including prorated provision of $7.9 million for the United Nations Logistics Base at Brindisi and prorated provision of $91.9 million for the support account (see A/C.5/56/36). The Secretary-General also proposed an additional appropriation for 2001/2002 of some $140.6 million for MONUC (see A/56/660 and A/56/845), and the General Assembly, upon the recommendation of the Advisory Committee, approved $56.8 million of additional resources for MONUC (see resolution 56/252 B), bringing the overall resources for peacekeeping operations for the period 2001/2002 to about $2.8 billion. The Committee was informed that additional expenditure for 2001/2002 for UNAMSIL would amount to $3.9 million, in connection with the elections scheduled for May 2002 in Sierra Leone (see S/2001/1195 and resolution 1389 (2002)). The Committee was informed, however, that this additional requirement would be absorbed taking into account the implementation of the approved budget for the Mission.

22. **The Advisory Committee reiterates its request that in future budget presentations a full disclosure be included of all mission income and expenditure under voluntary contributions, trust funds and other sources, by source of funds. In addition, a further breakdown should be provided for "other income" by source of funds, for example: income from reimbursements for services rendered, miscellaneous income from cancellation of unliquidated obligations, income from private donation.**

Budget proposals for 2002/2003

23. As shown in annex II.A, the total estimated budgetary requirements for the period 2002/2003, as proposed by the Secretary-General in the reports for each peacekeeping operation submitted to the Advisory Committee, amount to $2,249.1 million.

24. **The Committee is of the view that, although progress has been made in basing the estimates on more realistic assumptions, taking account of performance experience in previous financial periods, more should be done to increase productivity and efficiency in operational activities such as procurement, transport, communications and air operations. The Committee also believes that, in general, better budget monitoring, accounting and proper recording of expenditure is needed in peacekeeping operations. Where appropriate, the Committee has made suggestions in the context of individual missions for further improvements in budget formulation and performance reporting, calling attention, as appropriate, to the corresponding findings and recommendations of the Board of Auditors. In this connection, the Committee encourages the wider use of cost-benefit analysis to determine the most effective means of achieving operational objectives.**

Objective setting

25. Attempts have been made to implement the decision of the General Assembly (resolution 55/220 C of 14 June 2001) in setting results-based objectives in the budgets of the peacekeeping operations for the period 2002/2003. **The Committee notes that the format used appears to be a replica of the format used in the regular budget. The format needs to be improved considerably by projecting specific short- and long-term achievable results under the column "expected accomplishments", by drawing up precise indicators of achievement and quantifying the outputs in terms of activities based on workload indicators. Specific constraints, and/or preconditions, if any, should be projected under "external factors". Imprecise comments in the narrative form under these headings are of no value.**

26. **Bearing in mind that each mission is different, emphasis should be on setting precise and specific objectives, and proceeding on the basis of what is practical and attainable. These objectives should be integrated by service and programme, rather than in one separate section at the end. The Committee stresses the importance of the involvement and participation of top management of the missions in the exercise of objective-setting. The Committee intends to monitor progress in this regard as reported by the Secretary-General to the General Assembly in the financial performance reports of the missions.**

Financial commitment authority

27. Since the adoption of General Assembly resolution 49/233 A, the Advisory Committee has on numerous occasions acted on the Secretary-General's requests to commit funds for peacekeeping operations. The most recent examples are indicated in annex II.B. In this connection, the Committee considered the report on the concept of strategic deployment stocks and its implementation (A/56/870), in which the Secretary-General requests additional financial commitment authority, and includes a proposal to amend resolution 49/233 A. This request is based on the belief that present mechanisms are inadequate. **The Committee has concluded that the objectives sought in that report do not require amending resolution 49/233 A.** The comments and recommendations of the Committee are contained in its report (A/56/902).

Status-of-forces agreements and memoranda of understanding

28. On previous occasions the Advisory Committee has indicated that status-of-forces agreements and memoranda of understanding are essential instruments for defining the rights and obligations of the missions in the operational area (see, for example, A/55/874, para. 27). The Committee remains concerned about the fact that often the United Nations has been forced to start mission operations without these instruments in place. The Committee recalls that the absence of agreements has often led to the United Nations incurring heavy expenditures in duties and taxes that could have been avoided.

29. In the period under review, the Committee notes some progress in the signing of memoranda of understanding concerning contingent-owned equipment and the establishment of contingent-owned equipment units in missions. **The Committee regrets that no analysis has been produced, as recommended by the Committee (see A/55/874). The Committee reiterates its request that a study be made of the**

process involved which would identify the elements that often account for delays in the timely conclusion of memoranda of understanding concerning contingent-owned equipment.

30. On a related matter, the Advisory Committee had before it the report of the Secretary-General on instances for which the United Nations is entitled to restitution as a result of non-compliance with status-of-forces or other agreements (A/56/789). The Committee notes that the total costs incurred by the United Nations as a result of non-compliance with status-of-forces or other agreements amount to $144,369,800 (see A/56/789, table 1). Information on dates on which status-of-forces agreements have been signed is contained in annex III to the present report.

31. In paragraph 7 of the report (A/56/789), it is indicated that the Secretariat has made efforts to obtain reimbursement from countries hosting peacekeeping operations for costs incurred owing to violations of status-of-forces or other agreements and that instances of non-compliance are regularly followed up by peacekeeping missions with the relevant authorities in the host countries, as well as by the Secretariat with the respective permanent missions of Member States in New York. **The Advisory Committee recommends that the General Assembly take note of the information contained in the report of the Secretary-General (A/56/789).**

Military personnel

32. The Advisory Committee noted that in one mission the provision for military contingents included an amount for troop cost reimbursement for expenditures which were not obligated in the period ending 30 June 2001. The Committee was informed of delays experienced in processing reports on troop movements and changes. **The Committee believes that the process should be simplified and that communication between troop contingents, the mission headquarters and United Nations Headquarters should be improved to ensure the timely and accurate transmission of information on troop strengths in the mission area.**

Contingent-owned equipment and self-sustainment

33. In its previous report (A/55/878), the Advisory Committee requested the Board of Auditors to make a comprehensive assessment of all aspects of the implementation of the arrangements for contingent-owned equipment, preferably at selected missions. The Committee notes that, as part of its audit for the financial period ended 30 June 2001, the Board reviewed the arrangements for contingent-owned equipment with specific focus on the memorandum of understanding, verification procedures and the certification and payment of claims submitted by the troop-contributing countries (see A/56/5, vol. II, chap. II, paras. 58-86).

34. The Board informed the Committee that the overall impression is that performance is uneven. Some missions are better at managing the system than others. The inspection and verification process is the area where more resources are needed. **On the basis of the information provided by the Board and from the information contained in the performance and budget reports examined, the Advisory Committee concludes that the management of arrangements for contingent-owned equipment in the field and at Headquarters requires priority attention to remedy serious flaws in the system. Particular emphasis should be placed upon pre-arrival and operational inspections. Further consideration**

might also be given to improved arrangements for reimbursement, particularly with a view to assisting troop contributors from developing countries.

35. As part of the verification procedures, the Advisory Committee recalls that there are four types of inspection. A non-mandatory pre-arrival inspection and three mandatory inspections: arrival, operational and repatriation. With the agreement of a troop-contributing country, pre-arrival inspections are carried out by a team approved by Headquarters to ensure not only that the equipment meets the requirements of the mission but also that no unnecessary equipment is deployed. The Committee notes that, in one audited mission, a team of specialists could not be formed in time to conduct such inspections although inspection plans were made. In a number of missions, the arrival inspection and monthly verification reports were prepared with considerable delays. A shortage of properly qualified staff appears to be a contributing factor in the delay in preparing such reports.

36. The Advisory Committee is of the view that, as long as the United Nations is involved in peacekeeping operations where military contingents are deployed, there will always be a need for inspection and verification expertise. Currently, the United Nations relies in part on personnel provided by contingents. These are available on a temporary basis before they are repatriated. **The Committee recommends that the Secretariat should establish a core capacity of United Nations staff to provide the required expertise.**

Mission factors

37. The Advisory Committee notes that mission factors, which are intended to compensate countries contributing formed units for special operational conditions in the mission area, continue to be automatically included in budget estimates. The Committee notes that these factors are not reviewed regularly to take account of changes in the mission area of operation. **The Committee requests that mission factors that apply to monthly reimbursable rates be carefully reviewed in all missions and, if warranted, adjusted in accordance with changes in the operational conditions in the mission area.**

Mission subsistence allowance

38. Mission subsistence allowance is a daily allowance paid to United Nations military observers, civilian police and international civilian staff in peacekeeping, peacemaking or other special missions to cover long-term accommodation, food and miscellaneous expenses at the duty station. Mission subsistence allowance payments constitute a significant portion of overall peacekeeping costs. As shown in table 2, for the financial period 2000/2001, mission subsistence allowance represented 15.6 per cent, or $360.7 million, of the total expenditure of $2,307.9 million.

39. The Advisory Committee recalls that the Office of Internal Oversight Services, in its report of 26 November 2001 (A/56/648), indicated that in a number of missions audited by the Office mission subsistence allowance rates were found to be excessive and should be reduced. The Office of Internal Oversight Services also found that there was a need for more regular reviews of mission subsistence allowance rates by the Office of Human Resources Management and that consideration should be given to using daily subsistence allowance rates, established by the International Civil Service Commission for short-term travel to the same location, as benchmarks for establishing and adjusting mission subsistence allowance rates.

40. Upon request, the Office of Human Resources Management informed the Committee that, in connection with the recommendations of the Office of Internal Oversight Services, field surveys had been conducted in a number of missions late in 2001 and early in 2002 and mission subsistence allowance rates adjusted accordingly. The Office of Human Resources Management further informed the Committee that it had not been able to conduct more systematic monitoring, as recommended by the Office of Internal Oversight Services, because of very limited resources. Additional resources have been requested for this purpose under the support account. **The Committee trusts that the Office of Human Resources Management will monitor mission subsistence allowance rates closely, conducting more frequent field surveys and reviewing the methodology and factors used to establish those rates.**

Table 2

Total expenditure for the period from 1 July 2000 to 30 June 2001 as compared with expenditure related to mission subsistence allowance

(Thousands of United States dollars)

Mission	*2000/2001 expenditure (gross)*[a]	*Expenditure on mission subsistence allowance*	*Percentage of expenditure*
MINURSO	43 283.9	10 666.6	24.6
MONUC	246 472.0	28 722.3	11.7
UNAMSIL	493 061.6	28 582.9	5.8
UNDOF	34 371.6	47.3	0.1
UNFICYP	39 978.1	186.7	0.5
UNIFIL	175 754.8	248.7	0.1
UNIKOM	47 181.8	8 038.0	17.0
UNMEE	154 915.8	9 079.4	5.9
UNMIBH	137 511.3	59 452.9	43.2
UNMIK	383 462.0	125 674.4	32.8
UNOMIG	24 352.6	5 950.2	24.4
UNTAET	527 587.9	84 019.3	15.9
Total	**2 307 933.4**	**360 668.7**	**15.6**

[a] Excluding amounts for the support account for peacekeeping operations and UNLB.

Civilian personnel matters

41. The Advisory Committee has noted the tendency of some missions to establish separate units which would have little use except as a justification for high-level posts. This has the potential for costly bureaucracy and coordination problems. In various cases, the proposed functions for new units are too vague and appear not to be directly related to the substantive mandate of the missions and the requirements of the administrative support structure. The generic structure in the standard cost manual should always be adjusted in accordance with the specific mission needs of each mission.

42. **In the opinion of the Advisory Committee, there appears to be a view that only increased post requirements can take care of increased workloads. While it is acknowledged that creation, continuation and reclassification of posts upwards are important issues, consideration should also be accorded to reviewing existing posts in order to consider their abolition, redeployment or downward reclassification. In this connection, the need to project time frames for completing specific tasks by programme managers is of paramount importance, and they should therefore be encouraged to monitor the tasks performed and those not performed. Post and non-post requirements are, therefore, to be justified taking these factors fully into account.**

43. **The Advisory Committee recommends that the size and composition of the administrative and support services establishment should be reviewed at an early stage in those missions that are in the process of downsizing, as a result of changes in their mandate, role or activities. The Committee recommends that appropriate contingency plans be prepared in this regard on a timely basis for these missions.**

44. Annex IV contains information on budgeted and performance vacancy rates for international and local staff in missions for the period from 1 July 2000 to 30 June 2001. **The Advisory Committee notes that peacekeeping missions continue to experience a high level of vacancies, particularly in key administrative and management areas. This has resulted in many cases not only in large under-expenditure of the related staff costs but in weaknesses in the delivery of related services such as monitoring of mission operations, property and inventory management, procurement and management of United Nations property in the field.**

45. In the individual reports of the Secretary-General and those of the Committee, the reasons for these vacancies have been given. As in the previous period, the main contributing causes include contractual difficulties, the long and cumbersome recruitment and placement process in the United Nations, the security situation in some mission areas and, in a few instances, changes in mandates approved by the Security Council during the financial period. The Advisory Committee was informed that, pursuant to General Assembly resolution 55/258 of 14 June 2001, the Office of Human Resources Management intends to address the issues related to the delegation of authority for human resources management to peacekeeping missions, in a report to be submitted to the General Assembly at its fifty-sixth session on the monitoring capacity of the Office of Human Resources Management.

46. The Advisory Committee was further informed of steps being taken by the Secretariat to improve budget performance, including the granting of more autonomy to chief administrative officers to manage their budget, better budget monitoring and analysis and better management of non-expendable assets. **The Committee stresses the need to review the number and improve the quality of mission personnel handling procurement, budget, contract and financial matters. The training programmes should include these as a priority area; furthermore, more attention should be given to retaining only properly qualified staff that has had experience in peacekeeping missions, including those with knowledge of recruitment, inventory management, accounting and budget preparation and implementation.**

47. The Advisory Committee has acknowledged that travel activities are an essential input for implementing mission mandates and that, very often, unforeseen political developments may lead to a sudden increase in travel needs (A/55/874, para. 40). For the period under review, the Committee continued to notice many instances where no adequate explanation or justification was given in the estimates for travel expenditure in areas such as management and administrative support, surveys and consultation for officials of missions and Headquarters. **The Committee reiterates its view that budget and performance reports should fully justify all travel plans and expenditures; furthermore, as previously indicated by the Committee, in the first instance more extensive use should be made wherever possible of modern communications techniques, including video conferencing, before additional travel expenditures are incurred.**

Resident auditors and investigators

48. Resident auditors are staff from the Office of Internal Oversight Services that are being deployed to various peacekeeping missions (e.g., MONUC, UNAMSIL, UNMEE, UNMIBH, UNMIK and UNTAET). At the request of the Advisory Committee (see A/55/828 and A/55/878), the Board of Auditors reviewed the adequacy of the resident audit service in peacekeeping missions. The findings and recommendations of the Board are contained in its report (A/56/5, vol. II, chap. II, paras. 87-126). The Committee also exchanged views with the Under-Secretary-General for Internal Oversight Services, who provided additional information, especially on his plans to increase coverage of resident auditors in those active missions where resident auditors are now installed, in active missions without resident auditors (such as Middle East missions) and in new missions. The Committee was informed that proposals for these areas were under active consideration.

49. **The Committee welcomes the observations and recommendations of the Board of Auditors and requests the Board to continue, during its regular audits, to pay special attention to this issue, in particular to ascertaining the extent of implementation of its recommendation on the matter.**

50. **The Committee, on the basis of all the information available, concludes that much needs to be done, both by the Office of Internal Oversight Services and by missions, to optimize the use of resident auditors. In this connection, the Committee noted a lack of coordination between the Office of Internal Oversight Services, the rest of the Secretariat and missions in the planning and preparation of proposals for resident auditors. The information given to the Committee about potential new requests should have been submitted in conjunction with peacekeeping budget estimates. Accordingly, the Committee requests the Under-Secretary-General for Internal Oversight Services to ensure that future requests for posts and non-posts for current or proposed resident auditors are synchronized with the preparation of peacekeeping budgets. Furthermore, the Office should ensure, as a matter of priority, that authorized posts are filled expeditiously. The Committee also requests that standard operating procedures for resident auditors should be developed and disseminated widely to resident auditors.**

51. **On the basis of its experience in reviewing peacekeeping budgets and from oral testimony, the Committee has concluded that clarity is needed on the**

important question of handling observations and reports of the resident auditors both in the missions and at Headquarters. In the Committee's opinion, there is a need to ensure that the performance and integrity of resident auditors are not adversely affected by the opinions of those being audited. As resident auditors are staff members of the Office of Internal Oversight Services, they must have confidence that they will at all times have the full backing of that Office and that their performance will ultimately depend on the assessment of the Office and not of the audited entities, whether in the Department of Peacekeeping Operations or in the mission area. There should also be a system of rotation of resident auditors among missions and between missions and Headquarters. The Committee emphasizes that the role of the resident auditors should not be compromised either by lack of support from Headquarters or by inadequate attention to the findings and recommendations of the auditors.

52. **The Committee was informed that resident auditors also perform advisory functions. The Committee stresses that in the mission area the role of auditor and the financial and administrative functions are quite distinct. The Committee therefore trusts that the Office of Internal Oversight Services and the missions will ensure at all times that any potential for a conflict of interest is minimized by a careful definition of the role of resident auditors in the standard operating procedures referred to above. The Committee further stresses the importance of the presence of resident auditors during the liquidation process of missions.**

53. The Committee held a preliminary discussion with the Under-Secretary-General for Internal Oversight Services on the question of extending resident investigators in peacekeeping missions. The Committee points out that currently there is no established criterion or formula for the establishment of resident investigators.

54. **The Advisory Committee is not fully convinced of the need to establish dedicated units for investigation in all peacekeeping missions. The Committee believes that investigation should be done when a case arises and that investigation should be covered from Headquarters or on a regional basis, for example from Nairobi, for Africa.**

55. **The Committee requests that, as he did with resident auditors, the Secretary-General prepare a report on the experience so far with resident investigators, including proposals and plans for the future for review by the Committee in the context of budgets for peacekeeping for the period starting 1 July 2003. In that report, attention should be paid to the fact that investigation is by nature a reactive function and that the structure for this function need not be a mirror image of the function of resident auditors. Furthermore, various options should be explored, including regional approaches in collaboration with other United Nations partners such as funds and programmes and specialized agencies that may be in the area of concern.**

Procurement and inventory management

56. As it has done in the past (see, for example, A/53/895, A/53/940, A/54/841 and A/55/874), the Advisory Committee has commented on this subject in its reports on individual peacekeeping operations. The Committee has stressed that procurement

and inventory management are functions that account for large investment by the Organization, and that it is essential for all concerned to take steps to ensure that adequate qualified staff are assigned, trained and retained to perform these functions in field missions. In its examination of performance and budget reports for this period, the Committee encountered persistent problems in the area of field procurement and inventory management (see also A/56/5, vol. II, chap. II, paras. 20-28 and 186-188). **The Committee is not convinced that proper attention has been given at Headquarters and in the field to the issue of placing, retraining and retaining personnel in the area of procurement and inventory management.**

57. The Advisory Committee has recognized that increased delegation of authority to the field would contribute towards improving the efficiency and effectiveness of the procurement process if adequate capacity existed at the receiving end in the field to discharge procurement functions properly, as well as a mechanism at the central level to monitor those capacities (see A/55/874, para. 49). The Board of Auditors recommended that the Secretariat should selectively delegate increased authority to those missions that have demonstrated full compliance with the United Nations Regulations and Rules and other directives (A/56/5, vol. II, chap. II, para. 175).

58. The Committee was informed that, in July 2001, the Under-Secretary-General for Peacekeeping Operations had addressed a letter to the Controller indicating the need to clarify and revise certain terms and conditions of the delegation of authority. An interdepartmental working group (Department of Peacekeeping Operations and Department of Management, Office of Central Support Services) was set up to clarify certain practical and technical aspects of this matter and a draft was being finalized, as of April 2002, that would be submitted for consideration by the respective heads of Department.

59. The Committee was also informed that initiatives had been taken, in close cooperation among the two offices involved in the issue of delegation of procurement authority, which included the training of relevant field personnel to improve and increase mission capability, ensuring the development and availability of procedural guidelines and accessibility to Intranet tools facilitating the functions to be performed, as well as annual meetings of procurement officers. In the meantime, the Committee was informed that, of the 17 current peacekeeping missions, the following had received delegation of authority at the indicated levels:

(a) $200,000: MONUC (14 September 1999), UNAMSIL (29 July 1998), UNLB (9 April 1998), UNMEE (22 August 2000), UNMIK (2 March 2000), UNTAET (14 May 1999);

(b) $100,000: UNFICYP (28 March 1995), UNIFIL (28 March 1995);

(c) $70,000: UNTSO (28 March 1995), MICAH (26 June 2000), MINURSO (28 March 1995), UNDOF (28 March 1995), UNOMIG (28 March 1995), UNIKOM (19 January 1996), UNMIBH (1 July 1996);

(d) $40,000: UNMOGIP (1 July 1996).

60. **The Committee reiterates its view that any decision to delegate further procurement authority to missions must ultimately depend on ascertaining whether capacity exists in the mission to discharge delegated authority and**

whether adequate monitoring mechanisms have been set up at Headquarters. That being the case, there may be room for delegation on a case-by-case basis.

Information technology projects

61. The Advisory Committee notes that substantial amounts of non-post resources are spent for improved communication networks and state-of-the-art computer software and hardware which are being widely provided. This should not only result in efficiency but also enhance the possibility of reflecting lower requirements under travel budgets, general temporary assistance, and overtime and, to an extent, make possible the reduction or redeployment of posts.

62. The Advisory Committee witnessed a number of presentations of various information technology projects developed and being developed for the administration and logistics of peacekeeping operations, often with the help of experts hired on a contractual basis. These included the field assets control system, the field expendable supply system, a Web-based personnel recruitment system (Galaxy), an integrated procurement system (Mercury), an electronic storage, tracking and archival retrieval system (E-STARS) and an IMIS Web-based prototype for peacekeeping missions. The Committee welcomes these developments. The Committee's review of peacekeeping operations has further clearly indicated the need for modern information technology for the management of peacekeeping operations. **On the basis of testimony of representatives of the Secretary-General, however, the Committee requests that a review be made of the many databases that have been or are being developed, with a view to ensuring that they are compatible and interactive and that they can be used with optimal effectiveness.**

63. The Advisory Committee notes from the report of the Board of Auditors that the full potential of systems such as the field assets control system is not being realized. The audit findings indicate that the value of $695.7 million may be incorrectly stated in the financial statements for the year ended 30 June 2001 since the underlying value of non-expendable equipment is based on information recorded on the field assets control system (see A/56/5, vol. II, chap. II, paras. 25-28). Upon enquiry, the Committee was informed that the problem pointed out by the Board was related to inadequate monitoring of inventory movements by the responsible staff, and not related to technical problems of the control system as such. On another matter, in response to its request, the Committee received information on the cost of maintaining a 24-hour help line; that information may be found in annex V.

Air operations

64. The Committee has noted that expenditure on operational activities has been growing rapidly. Air operations have become a major component of this category of expenditure. Many missions include in their estimates provisions for air operations to cover the cost of aircraft (helicopters and fixed-wing aircraft), normally under long-term commercial and/or letter-of-assist arrangements. **The criteria used to determine arrangements for procuring aircraft services are not always clearly stated in the reports. Moreover, the Advisory Committee has requested that full explanations should be given in the budget document when the structure of air operations changes. Although the Committee notes that some brief notation has been made in the annexes to the budget reports, under standard and mission-**

specific costs, in many instances no satisfactory explanations are given for changes in the number and type of aircraft, or for the installation of hi-tech equipment. Moreover, the Committee believes that information on the use of air assets should be more up to date. The Committee requests that, in future performance and budget reports, these concerns should be addressed, including provision of information in tabular form on passenger and cargo use, both budgeted and non-budgeted.

65. **In determining air assets for a mission, full account should be taken of the availability of commercial alternatives, either through charter or, as in the case of UNOMIG, regularly scheduled commercial flights. In addition, where applicable, for example, in MONUC, there should be a concerted effort to develop an integrated plan for the use of air and ground transport in an effective and cost-efficient manner. This might imply strategic investment in the rehabilitation of ground transport in a way that would reduce the considerable resources devoted to air operations. Every effort should also be made to benefit from facilities made available through cooperation among missions as has been done with the allocation of heavy lift aircraft assigned to MONUC (see A/56/887/Add.10 and 11). This should be appropriately reflected in the relevant budgets.**

66. **The Advisory Committee reiterates its view of the need to install an effective and adequate mission capacity to manage and monitor the use of air assets; furthermore, arrangements should be in place to ensure appropriate and timely reimbursement for air support services provided by missions to other partners in the mission area (see A/55/941, para. 20). In this respect, the Committee emphasizes that use of mission aircraft should be limited to official purposes, and that any deviation should, without exception, require appropriate reimbursement.**

67. **The Advisory Committee also questions the justification for automatically including an estimate of expenditure for positioning/depositioning of aircraft in mission budgets (e.g., UNOMIG), given the fact that aircraft used by missions are not replaced annually. The Committee requests that a factor for non-replacement of aircraft should be taken into account during preparation of budget estimates.**

68. **A requirement for a medical-evacuation facility should not be used as a justification for the maintenance of expensive and underutilized air assets. During the hearings the Committee was made aware of at least one case where a commercial medical-evacuation facility might be available. The Committee recommends an urgent review of medical-evacuation facilities which might be available, either on a commercial basis or through a standby arrangement with a Member State.**

Vehicles

69. The Advisory Committee enquired about the procurement and installation of and expenditure on a Carlog system that has been implemented in a number of peacekeeping missions and the effect that it has had on the monitoring of vehicles. The purpose of the system is to provide data related to the use of the vehicle fleet (e.g., distances travelled, speed, driver identification and engine parameters) and facilitate proper maintenance. The system may also reduce the opportunity for fraud

and vehicle theft. In addition, the Committee was informed that fuel trucks and fuel pumps have been equipped with fuel log systems, equipped with fuel sensor coils, allowing the missions to track down all fuel dispensed to vehicles. **On the basis of the cost information provided on the Carlog system, the Committee is not convinced that the expense of procurement, installation and maintenance of the system in peacekeeping missions is cost-effective. The Committee was informed that, as a viable alternative to the Carlog system, the Department of Peacekeeping Operations is exploring the possibility of using a mobile assets locator tracking system (MALTS) based on global positioning system (GPS) technology. The Committee cautions against what appears to be a growing tendency to procure sophisticated technology for peacekeeping operations that is in excess of the actual needs of the missions, and believes that the introduction of such technology should be preceded by a cost-benefit analysis.**

70. The Advisory Committee has commented in previous reports on the issue of ratios used in peacekeeping operations, including the ratio of vehicles to international staff (see, for example, A/56/621, para. 52). **The Committee observes that information on fleet vehicles in the proposed budgets for a number of missions does not allow a clear understanding of whether the number of vehicles in the missions is in line with the standard ratios in the Standard Cost Manual.**

Missions in liquidation

71. The Board of Auditors has identified once again weaknesses in the control, filing, tracking and archiving of documentation of missions in liquidation. The problem appears to be acute where older missions are concerned (A/56/5, vol. II, chap. II, paras. 194-196). **The Advisory Committee remains concerned about the length of the time taken to liquidate missions and the persistent weaknesses in the capacity of the Secretariat to handle liquidation and other related tasks at Headquarters and in the field in a timely manner. In this regard, the Committee requested information on the time required to liquidate missions (see para. 79 below). The Committee has stressed the need to retain experienced personnel in various phases of mission liquidation and to place them where they are needed, rather than to recruit inexperienced temporary staff. It is also important to maintain up-to-date inventory, accounting, and bank reconciliation systems throughout the mission so that those who deal with mission liquidation will be working with an up-to-date and accurate base of information. The Committee recommends that a roster be maintained of personnel who are properly qualified and experienced in mission liquidation, so that the Organization will continue to have recourse to their expertise and experience (see also A/55/874, para. 52).**

Public information programmes

72. The Advisory Committee has indicated in the past that public information programmes in peacekeeping operations must be carefully identified and implemented on the basis of objectives tailored to the specific needs of the mission concerned. **The Committee is not convinced that these programmes are always adequately justified in the budget estimates. The Committee believes that more efforts should be made to produce radio and other information programmes directly by the missions, thereby reducing the need for contractual services.**

The Committee recommends that the division between the Department of Peacekeeping Operations and the Department of Public Information of responsibility for overall policy and the guidance provided to field missions in this area should be reviewed and clarified with a view to developing a more professional, focused and consistent approach.

Quick-impact projects

73. The Advisory Committee recalls that the provision for quick-impact projects is intended to provide a flexible disbursement option for addressing immediate and short-term needs in the mission area and that guidelines on the administration of quick-impact projects have been drawn (see A/55/874, para. 56, and A/55/688/Add.1, annex II). The Committee welcomes the information provided on quick-impact projects in the performance reports. The Committee noted the establishment of a separate unit for quick-impact projects in one mission. **The Committee is concerned that the establishment, at this time, of separate units to administer quick-impact projects could undermine the flexibility required in this area through the creation of cumbersome and protracted procedures in dealing with activities which require speed and efficiency. The Committee requests the Secretary-General to explore alternate options, including the use of existing military or civilian units, for the implementation of quick-impact projects.**

Training

74. **The Advisory Committee reiterates its view that there is a need for better planning for training of personnel in the mission area and that the subjects covered in the training programmes and their costs should be more clearly stated in the performance and budget reports (A/55/874, para. 57). The Committee stresses that training activities should be tailored towards fulfilling the mandate of the mission. Training plans and programmes should be carefully designed to address critical risk areas of the missions; furthermore, to the extent possible, more effort should be made to train trainers for some of the services of the mission. This would obviate the need to train relatively large numbers of personnel outside the mission area. The Committee remains concerned about what appears to be unwarranted overexpenditure in training activities in some missions even in cases where the mission should begin to plan to downsize and where the number of staff to be trained appears to be high in relation to the number of established posts in the mission.**

75. Upon request, the Advisory Committee was informed that resources made available for training programmes for all missions amounted to $2,812,600 for the period from 1 July 2001 to 30 June 2002. For 2002/2003, initial estimates amount to $3,377,300 (see annex VI.A to the present report). The number of personnel trained and to be trained for the periods 2000/2001, 2001/2002 and 2002/2003 is shown in annex VI.B. In addition, the Committee notes that, under the support account, a provision of $694,500 has been requested for the Civilian Training Section of the Department of Peacekeeping Operations for the development and delivery of training programmes, both at Headquarters and in the missions (see A/56/885).

Performance reports of closed missions

76. The Advisory Committee has considered the reports of the Secretary-General on the financial performance of the following closed missions: the United Nations Protection Force (UNPROFOR), the United Nations Confidence Restoration Operation in Croatia (UNCRO), the United Nations Preventive Deployment Force (UNPREDEP) and the United Nations Peace Forces headquarters (A/56/852); the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and the Civilian Police Support Group (A/56/844); the United Nations Deployment Force (UNPREDEP) (A/56/842); the United Nations Mission in Haiti (UNMIH) (A/56/851); and the United Nations Support Mission in Haiti (UNSMIH), the United Nations Transition Mission in Haiti (UNTMIH) and the United Nations Civilian Police Mission in Haiti (MIPONUH) (A/56/841).

77. As summarized in annex VII to this report, the performance reports contain information on total appropriations, unencumbered balance of appropriations, cash position and proposed disposition of cash balances.

78. Upon enquiry, the Advisory Committee was informed that all liquidation activities, including the disposal of assets, have been carried out.

79. The Advisory Committee notes that the period between the end of mandates of closed missions and the dates of the final performance reports is long (see annex VIII). For example, it took more than five years in the case of UNMIH, four years with respect to the United Nations Peace Forces, UNTAES/Civilian Police Support Group and UNPREDEP and two years in the case of UNSMIH/UNTMIH/MIPONUH.

80. With regard to the cash position of the United Nations Peace Forces (A/56/852), the Advisory Committee was informed that, as a result of payment of arrears by some Member States and the decrease in liabilities due to cancellation of some obligations, the cash position changed from an operating deficit of $305 million, as at 31 December 2000, to a surplus of $133 million as at 31 December 2001. However, the cash surplus of $133 million is less than the unencumbered balance of appropriations, which amounts to $196.4 million.

81. Upon enquiry, the Advisory Committee was informed that the amount of $4,000,200 gross ($3,978,900 net) shown in the performance report (A/56/841, table 4) is not a cash balance but the difference between the total amount appropriated over the life of UNSMIH, UNTMIH and MIPONUH, less total expenditures, and the unencumbered balances that have already been credited to Member States. On the other hand, table 5 in the same report shows that, as at 31 December 2001, the missions' outstanding liabilities exceeded the cash holdings by $8.7 million. Therefore, there are no cash resources available to credit Member States of the amount of $4,000,200 gross ($3,978,900 net).

82. With regard to the actions to be taken by the General Assembly, **the Advisory Committee recommends acceptance of the proposals of the Secretary-General contained in the following report: A/56/852 (para. 10 (b) and (c)); A/56/844 (para. 1); A/56/842 (para. 1 (a), (b) and (c)); A/56/851 (para. 1 (a) and (b)); and A/56/841 (para. 1).**

83. **In connection with the proposal of the Secretary-General (A/56/852, para. 10 (a); A/56/844, para. 1; and A/56/842, para. 1 (d)) to apply fund balances of $125,644,300 in the United Nations Peace Forces, $35,799,000 in UNTAES and the**

Civilian Police Support Group and $18,213,000 in UNPREDEP to the resources required for the financing of the strategic deployment stocks, in the view of the Advisory Committee, the General Assembly may wish to take into account the funding arrangements set out in paragraph (f) of General Assembly resolution 47/217 of 23 December 1992 relating to the establishment of the Peacekeeping Reserve Fund.

Annex I

A. Financial performance of peacekeeping missions for the period from 1 July 2000 to 30 June 2001[a]

(Thousands of United States dollars)

Mission	(1) Secretary-General's budget	(2) Reduction recommended by Advisory Committee	(3) General Assembly appropriation	(4) Unencumbered balance	(5) Variance (2)+(4)	(6) Variance (percentage) (5)÷(1)
MINURSO	46 611.6	-	46 611.6	3 327.7	3 327.7	7.1
MONUC	273 119.6	-	273 119.6	26 647.6	26 647.6	9.8
UNAMSIL	561 996.4	11 996.4	550 000.0	56 938.4	68 934.8	12.3
UNDOF	34 946.7	-	34 946.7	575.1	575.1	1.6
UNFICYP	41 039.8	-	41 039.8	1 061.7	1 061.7	2.6
UNIFIL	199 097.9	-	199.097.9	23 343.1	23 343.1	11.7
UNIKOM	49 818.0	-	49 818.0	2 636.2	2 636.2	5.3
UNMEE	199 075.8	19 075.8	180 000.0	25 084.2	44 160.0	22.2
UNMIBH	153 588.0	3 588.0	150 000.0	12 488.7	16 076.7	10.5
UNMIK	474 401.8	24 401.8	450 000.0	66 538.0	90 939.8	19.2
UNOMIG	28 399.8	-	28 399.8	4 047.2	4 047.2	14.3
UNTAET	592 306.8	29 306.8	563 000.0	35 412.1	64 718.9	10.9
Total	**2 654 402.2**	**88 368.8**	**2 566 033.4**	**258 100.0**	**346 468.8**	**13.1**

[a] Figures are shown in gross amounts and exclude amounts for the support account for peacekeeping operations and UNLB.

B. Comparison of apportionment and unencumbered balance inclusive and exclusive of the support account for peacekeeping operations and UNLB for the period from 1 July 2000 to 30 June 2001

(Thousands of United States dollars)

Mission	*Inclusive of the support account for peacekeeping operations and UNLB*			*Exclusive of the support account for peacekeeping operations and UNLB*		
	General Assembly appropriation	*Unencumbered balance*	*Variance (percentage)*	*General Assembly appropriation*	*Unencumbered balance*	*Variance (percentage)*
MINURSO	49 317.0	3 327.7	6.7	46 611.6	3 327.7	7.1
MONUC[a]	273 119.6	26 647.6	9.8	273 119.6	26 647.6	9.8
UNAMSIL	577 672.7	56 938.4	9.9	550 000.0	56 938.4	10.4
UNDOF	36 975.4	575.1	1.6	34 946.7	575.1	1.6
UNFICYP	43 422.1	1 061.7	2.4	41 039.8	1 061.7	2.6
UNIFIL	207 154.1	23 343.1	11.3	199 097.9	23 343.1	11.7
UNIKOM	52 710.3	2 636.2	5.0	49 818.0	2 636.2	5.3
UNMEE[b]	189 190.2	25 084.2	13.3	180 000.0	25 084.2	13.9
UNMIBH	158 707.7	12 488.7	7.9	150 000.0	12 488.7	8.3
UNMIK[a]	450 000.0	66 538.0	14.8	450 000.0	66 538.0	14.8
UNOMIG	30 048.2	4 047.2	13.5	28 399.8	4 047.2	14.3
UNTAET[a]	563 000.0	35 412.1	6.3	563 000.0	35 412.1	6.3
Total	**2 631 317.3**	**258 100.0**	**9.8**	**2 566 033.4**	**258 100.0**	**10.1**

[a] Initially only commitment authority was approved for these missions in June 2000. They were therefore not included in the pro rata distribution of the cost of UNLB and the support account.

[b] Mission established after the General Assembly had approved the pro rata distribution of the cost of UNLB and the support account for 2000/2001. The provision for the support account, approved in December 2000, relates to the initial implementation of the report of the Panel on United Nations Peace Operations.

C. Supplementary information on the financial and budgetary reports of peacekeeping missions for the period from 1 July 2000 to 30 June 2001 as at 31 December 2001

1. Status of contributions

(United States dollars)

	(1) Status of contributions			*(2) Updated financial information*		
	(a) Total assessed	*(b) Payments received*	*(c) Amounts outstanding*	*(a) Cash position*	*(b) Unliquidated obligations*	
Mission					*Government*	*Other*
MINURSO	474 200 000	408 174 063	66 025 937	23 854 110	546 250	980 120
MONUC	383 425 769	242 955 319	140 470 450	53 393 377	3 194 400	34 142 100
UNAMSIL[a]	1 110 336 321	832 230 387	278 105 934	122 660 009	98 130 977	13 079 413
UNDOF	1 284 500 000	1 250 638 659	33 811 341	17 711 760	1 521 508	1 511 726
UNFICYP[b]	200 768 320	187 088 879	13 679 441	17 332 631	1 300 000	307 100
UNIFIL[c]	3 269 700 000	3 123 265 353	146 434 647	117 047 680	12 773 352	6 982 128
UNIKOM	309 138 843	291 569 107	17 569 736	61 972 620	1 970 129	1 564 013
UNMEE	333 781 073	244 814 708	88 966 365	55 853 007	19 216 301	13 286 263
UNMIBH	887 522 282	794 724 357	92 797 925	36 738 494	1 200 000	2 300 000
UNMIK	1 238 379 000	1 017 955 590	220 423 410	170 510 215	3 400 000	14 200 000
UNOMIG	150 582 039	141 261 175	9 320 864	4 800 233	402 493	1 216 017
UNTAET	1 209 889 131	999 705 732	210 183 399	140 091 654	70 583 807	10 939 898
Total	**10 852 222 778**	**9 534 433 329**	**1 317 789 449**	**821 965 790**	**214 239 217**	**100 508 778**

[a] Unliquidated obligations as at 15 February 2002.
[b] Amount outstanding as at 31 January 2002.
[c] Status of contributions for the period from 16 June 1993 to 31 December 2001.

2. Status of reimbursement to troop-contributing Member States

(United States dollars)

	(a) Troop costs[a]		*(b) Contingent-owned equipment*			*(c) Death and disability compensation*
Mission	*Paid*[b]	*Owed*	*Paid*[b]	*Estimated amounts owed*	*Certified claims in accounts payable*[c]	*Paid*[b]
MINURSO	6 385 145	92 260	5 050 987	118 845	-	315 385
MONUC	8 672 189	9 317 682	-	10 763 957	1 307 197	-
UNAMSIL	236 558 104	73 739 615	15 558 616	209 491 138	1 719 562	920 000
UNDOF	135 517 600	4 633 308	290 953	714 968	-	4 794 028
UNFICYP	125 890 518	6 133 093	1 820 385	8 178 241	-	1 200 000
UNIFIL[d]	412 985 461	17 969 512	6 400 764	14 803 577	373 634	-
UNIKOM	98 305 867	4 037 950	10 086 084	2 184 768	-	854 272
UNMEE	31 257 931	16 583 849	9 635 773	27 414 439	3 424 259	50 000
UNMIBH[e]	-	-	-	-	-	907 539
UNMIK	15 864 458	4 806 218	3 045 037	3 737 730	731 739	329 562
UNOMIG[e]	-	-	159 927	296 326	-	137 000
UNTAET[f]	164 159 659	36 755 466	16 219 618	120 252 268	4 893 440	-
Total	**1 235 596 932**	**174 068 953**	**68 268 144**	**397 956 257**	**12 449 831**	**9 507 786**

[a] Reflects reimbursements to 31 August 2001 and amounts owed at 31 December 2001 for September-December 2001.
[b] Amounts are cumulative from inception of each mission.
[c] Certified claims in accounts payable are included in estimated amounts owed.
[d] Amount paid for troop costs since March 1995.
[e] Missions without military component.
[f] Death and disability compensation data have not yet been compiled.

Annex II

A. Estimated gross budgetary requirements proposed by the Secretary-General for each peacekeeping operation for the period from 1 July 2002 to 30 June 2003[a]

(Thousands of United States dollars)

MONUC	603 911.0
UNAMSIL	669 476.4
UNDOF	38 991.8
UNFICYP	44 973.9
UNIFIL	112 376.0
UNIKOM	53 340.6
UNMEE	220 830.2
UNMIBH	78 613.9
UNMIK	391 076.2
UNOMIG	35 535.3
Total	**2 249 125.3**

[a] Excludes MINURSO and the follow-on mission in East Timor.

B. Commitment authorities approved by the Advisory Committee under General Assembly resolution 49/233 A

	Fiscal period				*Amount approved (United States dollars)*	
Mission	*1999/2000*	*2000/2001*	*2001/2002*	*Date approved*	*Gross*	*Net*
UNMIK	X			15 June 1999	50 000 000	50 000 000
UNOMSIL	X			15 June 1999	5 470 800	5 186 800
MINURCA	X			14 July 1999	6 701 900	6 701 900
UNOMSIL	X			20 September 1999	6 437 300	6 437 300
UNAMSIL	X			4 November 1999	41 063 500	41 063 500
UNTAET	X			4 November 1999	50 000 000	50 000 000
MIPONUH	X			10 December 1999	2 201 284	1 987 784
MONUA	X			10 December 1999	5 274 800	4 875 100
UNIFIL	X			26 May 2000	12 000 000	12 000 000
UNMEE		X		8 September 2000	50 000 000	49 715 100
MONUC		X		23 April 2001	49 865 400	49 530 700

Annex III

Status-of-forces and status-of-mission agreements

Mission	*Agreement or other document*	*State/other entity*	*Date signed*	*Remarks*
MINURSO				No status-of-forces agreement; only status-of-mission and military agreements.
	Status of mission	Algeria	3 November 1998	
	Status of mission	Mauritania	9 November 1998	
	Status of mission	Morocco	11 February 1999	
	Letter of agreement	Frente POLISARIO	4 September 1991	
	Military agreement	Frente POLISARIO	4 April 1999	
MONUC	Status of forces	Democratic Republic of the Congo	4 May 2000	Status-of-mission agreements not yet signed with Angola, Central African Republic, Namibia, Rwanda, Uganda, Zambia and Zimbabwe.
UNAMSIL	Status of forces	Sierra Leone	4 August 2000	
UNFICYP	Status of forces	Cyprus	31 March 1964	
UNDOF	Pending	Syrian Arab Republic		No signed status-of-forces agreement.
UNIFIL	Status-of-forces	Lebanon	15 December 1995	
UNIKOM	Status-of-mission	Kuwait	20 May 1992	
	Status-of-mission	Iraq	20 June 1992	
UNMEE	Status-of-mission	Ethiopia	23 March 2001	
		Eritrea		Status-of-mission agreement with Eritrea as yet unsigned.
UNMIBH				No status-of-forces agreement required.
	Status-of-mission	Bosnia and Herzegovina	5 September 1996	
	Status-of-mission	Federal Republic of Yugoslavia	26 September 2001	Status-of-mission agreement for United Nations liaison office in Belgrade.
UNMIK				No status-of-forces agreement required; only status-of-mission agreement.
	Status-of-mission	The former Yugoslav Republic of Macedonia	27 February 2001	
		Albania		Status-of-mission agreement with Albania not yet signed.
		Federal Republic of Yugoslavia		Status-of-mission agreement for UNMIK liaison office in Belgrade not yet signed.
UNOMIG	Status-of-mission	Georgia	15 October 1994	
UNTAET				No status-of-forces agreement required.

Annex IV

Vacancy rates of peacekeeping operations for the period from 1 July 2000 to 30 June 2001

(Percentage)

Peacekeeping operation	*Vacancy factor applied in the initial budget estimates*	*Actual vacancy rate*
MINURSO		
Professional	35	37
General Service/Field Service	10	7
Local	5	3
MONUC		
Professional	0	48
General Service/Field Service	0	34
Local	0	33
UNAMSIL		
Professional	10	27
General Service/Field Service	10	8
Local	10	21
UNDOF		
Professional	0	19
General Service/Field Service	0	8
Local	0	1
UNFICYP		
Professional	5	18
General Service/Field Service	5	4
Local	0	22
UNIFIL		
Professional	8	21
General Service/Field Service	8	9
Local	0	5
UNIKOM		
Professional	10	31
General Service/Field Service	10	25
Local	10	8
UNMEE		
Professional	10	52
General Service/Field Service	10	27
Local	10	63

Peacekeeping operation	*Vacancy factor applied in the initial budget estimates*	*Actual vacancy rate*
UNMIBH		
Professional	10	21
General Service/Field Service	10	10
Local	5	3
UNMIK		
Professional	15	16
General Service/Field Service	15	14
Local	5	8
UNOMIG		
Professional	10	6
General Service/Field Service	10	1
Local	5	0
UNTAET		
Professional	20	28
General Service/Field Service	20	24
Local	10	11

Annex V

Comparison of service level A of the Information Technology Services Division with costs in a typical field mission for similar services

The cost of support by the Information Technology Services Division (ITSD) for computers and peripherals appears in the support account budget at a standard cost of $1,200 per desktop per annum.

The Committee had requested that a comparison of this amount with the cost in a field mission for similar services be made. UNMIK has an infrastructure similar to that found at Headquarters, and is thus used for comparison.

Service level A itemized deliverables	*ITSD per PC per annum*	*UNMIK per PC per annum*
	(United States dollars)	
LAN (group administration)	400	59
Help desk services (hardware support)	250	236
Help desk services (software support)	150	160
Software licences	150	100
Use of LAN server	150	-
CMS support fee	100	-
Total annual unit cost	**1 200**	**555**

Comparison of itemized service deliverables

Type of service	*Scope*	*ITSD cost*	*CITS[a] cost*
		(United States dollars)	
LAN group administration			
ITSD	LAN size: PCs 6,500; servers 80; routers 15; switches 160 Duties: The Division is expected to provide 24-hour service for desktop, central computing and applications. Repairs are effected to hardware by subcontractors.	400	
UNMIK	LAN size: computing units 6,001; servers 117; routers 191; switches 80 Duties: support of office automation software, additional network installations, network printers, Internet protocol addresses, Internet, CD copies, file conversations, hardware faults to maintenance workshop		59
Help desk services (hardware)			
ITSD	The Division has a maintenance subcontract; repair of hardware; installations	250	
UNMIK	Mission performs all maintenance including provision of spare parts (15 per cent per PC)		236
Help desk services (software)			
ITSD	Covers: Banyan, CMS, Microsoft 2000, Paradox, IMIS, ODS	150	
UNMIK	Covers: Windows NT, Windows 2000, field assets control system, field expendable supply system, contingent-owned equipment, field personnel management system, Mercury, Galaxy, E-STARS, Sun, Progen		160
Software licences			
ITSD	Banyan, Windows 98, Microsoft Office Suite	150	
UNMIK	Windows 2000, Microsoft Office Suite, Windows NT		100
Use of LAN server			
ITSD	Management of Internet protocol addresses; shared drives on Banyan	150	Included in the help desk cost
UNMIK	Management of Internet protocol addresses; shared drives on Windows NT		
CMS support fee			
ITSD	Includes anti-virus, browser through central distribution	100	Included in the help desk cost
UNMIK	Anti-virus, browser, limited central distribution capability		

[a] Communications and Information Technology Service.

Annex VI

A. Resources made available for training programmes for the period from 1 July 2001 to 30 June 2002 and proposed for the period from 1 July 2002 to 30 June 2003[a]

(United States dollars)

	2001/2002	*2002/2003*
MINURSO	65 000	-
MONUC	528 700	751 800
UNAMSIL	227 600	322 600
UNDOF	145 400	149 000
UNFICYP	51 500	82 400
UNIFIL	351 900	362 900
UNIKOM	105 900	161 700
UNMEE	399 300	393 400
UNMIBH	208 700	105 000
UNMIK	412 600	679 500
UNOMIG	184 000	369 000
UNTAET	132 000	-
Total	**2 812 600**	**3 377 300**

[a] Excludes MINURSO and the follow-on mission in East Timor for 2002/2003.

B. Information on training activities during the fiscal periods 2000/2001, 2001/2002 and 2002/2003

	2000/2001			2001/2002			2002/2003		
Mission	*Number of personnel trained*	*Percentage trained at UNLB*	*Percentage trained elsewhere*	*Number of personnel trained*	*Percentage trained at UNLB*	*Percentage trained elsewhere*	*Number of personnel trained*	*Percentage trained at UNLB*	*Percentage trained elsewhere*
MINURSO	-	-	-	14	70.0	30.0	11	50.0	50.0
MONUC	23	70.0	30.0	49	60.0	40.0	94	70.0	30.0
UNAMSIL	27	63.0	37.0	30	100.0	-	45	76.0	24.0
UNDOF	34	41.2	58.8	45	44.4	55.6	69	39.1	60.9
UNFICYP	39	31.0	69.0	19	25.0	75.0	63	22.0	78.0
UNIFIL	20	25.0	75.0	334	5.7	94.3	341	5.6	94.4
UNIKOM	19	32.0	68.0	29	48.0	52.0	26	46.0	54.0
UNMEE	10	80.0	20.0	46	90.0	10.0	57	70.0	30.0
UNMIBH	215	15.8	84.2	874	2.3	97.7	161	16.1	83.9
UNMIK	1 051	3.7	96.3	174	2.3	97.7	1 331	1.4	98.6
UNOMIG	18	61.0	39.0	16	56.0	44.0	145	12.0	88.0
UNTAET*	73	23.0	77.0	220	10.0	90.0	86	9.3	90.7
Total	**1 529**			**1 850**			**2 429**		

* Initial estimate based on budget submission from the Department of Peacekeeping Operations.

Annex VII

Final performance of closed missions

Description	*UNPF*		*UNTAES*		*UNPREDEP*		*UNMIH*		*UNSMIH/UNTMIH/MIPONUH*	
	Gross	*Net*	*Gross*	*Net*	*Gross*	*Net*	*Gross*	*Net*	*Gross*	*Net*
Performance reports										
Total appropriation	5 082 586 459	5 044 754 959	517 546 360	501 478 560	166 390 300	161 822 900	357 541 100	352 046 000	133 034 216	126 944 616
Reported expenditures	4 835 728 900	4 799 806 900	467 310 100	454 707 600	151 808 800	148 777 600	313 057 300	309 246 700	118 743 600	113 697 900
Balance	**246 857 559**	**244 948 059**	**50 236 260**	**46 770 960**	**14 581 500**	**13 045 300**	**44 483 800**	**42 799 300**	**14 290 616**	**13 246 716**
Unencumbered balance of appropriations as at 31 December 2001										
Total appropriation	5 082 586 459	5 044 754 959	517 546 360	501 478 560	166 390 300	161 822 900	357 541 100	352 046 000	133 034 216	126 944 616
Final expenditures[a]	4 560 205 000	4 525 641 900	435 240 800	423 992 300	145 653 200	142 796 100	273 534 000	271 854 000	114 907 600	109 861 900
Variance	**522 381 459**	**519 113 059**	**82 305 560**	**77 486 260**	**20 737 100**	**19 026 800**	**84 007 100**	**80 192 000**	**18 126 616**	**17 082 716**
Credited to Member States	262 589 246	264 274 828	50 236 260	46 770 960	13 677 500	12 141 300	44 445 700	42 772 500	14 126 416	13 103 816
Transferred to other funds	63 311 186	57 580 861	0	0	0	0	0	0	0	0
Subtotal	**325 900 432**	**321 855 689**	**50 236 260**	**46 770 960**	**13 677 500**	**12 141 300**	**44 445 700**	**42 772 500**	**14 126 416**	**13 103 816**
Balance as at 31/12/01	**196 481 027**	**197 257 370**	**32 069 300**	**30 715 300**	**7 059 600**	**6 885 500**	**39 561 400**	**37 419 500**	**4 000 200**	**3 978 900**
To be offset	**0**	**0**	**0**	**0**	**172 000**	**76 000**	**0**	**0**	**0**	**0**
Balance	**196 481 027**	**197 257 370**	**32 069 300**	**30 715 300**	**6 887 600**	**6 809 500**	**39 561 400**	**37 419 500**	**4 000 200**	**3 978 900**
Financial position										
Cash	174 550 000		42 446 000		36 516 000		40 039 000		9 801 000	
Liabilities	40 612 000		6 647 000		18 303 000		14 773 000		18 532 000	
Operating deficit/cash balance	**133 938 000**		**35 799 000**		**18 213 000**		**25 266 000**		**-8 731 000**	

Description	UNPF		UNTAES		UNPREDEP		UNMIH		UNSMIH/UNTMIH/MIPONUH	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proposed disposition of cash balances										
Transfer to strategic deployment stocks	125 644 300		35 799 000		18 213 000		0		0	
Credit to Member States	8 293 700		0		0		25 266 000		0	
Total	**133 938 000**		**35 799 000**		**18 213 000**		**25 266 000**		**0**	
Impact of proposed disposition of cash balance										
Reduction to unencumbered balance of appropriations	133 938 000		32 069 300		6 887 600		25 266 000		0	
Reduction to other income	0		3 729 700		11 325 400		0		0	
Total	**133 938 000**		**35 799 000**		**18 213 000**		**25 266 000**		**0**	

[a] Inclusive of prior period adjustments and savings on or cancellation of prior period obligations.

Annex VIII

Time elapsed between end of mandate and issuance of final performance report

Mission	*End of mandate*	*Date of final performance report*
UNPF	15 January 1996[a]	17 March 2000
UNTAES/Civilian Police Support Group	15 October 1998	27 February 2002
UNPREDEP	28 February 1999	27 February 2002
UNMIH	30 June 1996	1 March 2002
UNSMIH/UNTMIH/MIPONUH	15 March 2002	27 February 2002

[a] Field liquidation ended 30 June 1997.

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Observer Mission in Georgia

Financial performance report for the period from 1 July 2000 to 30 June 2001 and proposed budget for the period from 1 July 2002 to 30 June 2003 of the United Nations Observer Mission in Georgia

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 2000 to 30 June 2001 (A/56/721 and Corr.1) and on the proposed budget for the 12-month period from 1 July 2002 to 30 June 2003 (A/56/815). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. UNOMIG was established by the Security Council in its resolution 858 (1993) of 24 August 1993. Since then, its mandate has been extended by the Security Council in various resolutions, the latest being resolution 1393 (2002) of 31 January 2002, by which the Council extended the mandate of the Mission until 31 July 2002.

Financial performance report for the period from 1 July 2000 to 30 June 2001

3. The General Assembly, by its resolution 54/271 of 15 June 2000, appropriated an amount of $30,048,197 gross ($28,295,699 net) for the maintenance of UNOMIG for the period from 1 July 2000 to 30 June 2001, inclusive of $1,425,532 gross for the support account for peacekeeping operations and $222,865 gross for the United Nations Logistics Base at Brindisi, Italy. That amount has been assessed on Member States. As indicated in paragraph 14 of the report, expenditures for the period amounted to $26,001,000 gross ($24,249,000 net), inclusive of $4,363,600 in unliquidated obligations. The resulting unencumbered balance of $4,047,197 gross ($4,046,699 net) represents, in gross terms, 13.4 per cent of the amount appropriated, as indicated in paragraph 14 of the performance report. The Committee enquired about the appropriateness of including amounts for the support account for

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peacekeeping operations and for the United Nations Logistics Base at Brindisi when calculating the percentage of unencumbered balances in financial performance reports as against appropriation. The comments of the Advisory Committee on this issue are contained in its general report on peacekeeping operations.

4. Table 2 of the report contains a breakdown of expenditure and unencumbered balance by category of expenditure. The Advisory Committee notes that the unencumbered balance of $4,047,197 gross is due mainly to savings under military personnel ($1,161,400), civilian personnel ($2,015,400) and operational requirements ($883,800). As indicated in paragraph 6 of the report, the unencumbered balance of $1,161,400 under military personnel results from a lower monthly deployment of military observers (102), compared with the authorized strength of 135 military observers. The unencumbered balance under civilian personnel is due primarily to the engagement of a higher percentage of the Professional and Field Service staff as mission appointees (65 per cent), compared with the budgeted assumption of 32 per cent. The unencumbered balance of $883,800 under operational requirements resulted primarily from the acquisition of vehicles at a lower cost than budgeted and non-procurement of one ambulance, as well as from lower actual requirements for spare parts, repairs and maintenance owing to a higher inventory of new vehicles.

5. The Advisory Committee notes from annex II, paragraph 13, to the performance report (A/56/721) that expenditures of $72,400 under the training programme exceed the amount of apportionment of $53,000 by $19,400, and include an amount of $7,133 relating to training courses for the prior period. **The Committee takes the view that the large amount of overexpenditure (45.1 per cent) and the inclusion of charges relating to prior financial periods point to a lack of proper planning and accounting in the mission.** The Committee also notes that the training programme consisted of a total of 12 different courses involving 18 participants. The table in annex II, paragraph 13, to the performance report (A/56/721) provides information on the training programme, including the description of training, expenditure, number of persons trained and venue of training courses. **The Committee requests that information on training programmes also include information on the duration of training courses, as well as information on training courses that were undertaken in addition to the originally planned training programme.**

6. The Advisory Committee was informed that the cash position of the Mission as at 31 December 2001 was $4.8 million and that unliquidated obligations for the period from 1 July 2000 to 30 June 2001 amounted to $1.6 million, of which $400,000 was government-related, while $1.2 million was not. The total amount assessed on Member States for UNOMIG from its inception was $150.5 million as at 31 December 2001, against which the payments received amounted to $141.2 million, leaving an outstanding balance of $9.3 million.

7. With regard to contingent-owned equipment, the Advisory Committee was informed that the estimated amount owed as at 31 December 2001 was $226,473 which all represent unliquidated obligations. In respect of death and disability compensation, $137,000 had been paid as at 31 December 2001 for five claims, eight claims were pending, and unliquidated obligations amounted to $67,752.

8. The action to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 2000 to 30 June 2001 is indicated in paragraph 16 of the report. **The Advisory Committee recommends that the unencumbered balance of $4,047,197 gross ($4,046,699 net) for the period from 1 July 2000 to 30 June 2001, as well as the interest and other income in the amount of $1,719,000, be credited to Member States in a manner to be determined by the General Assembly.**

Information on performance for the current period

9. The Advisory Committee was informed that, against the authorized staffing establishment of UNOMIG for the period from 1 July 2001 to 30 June 2002 of 135 military observers, 99 international staff and 176 local staff, the posts encumbered as at 31 December 2001 were 107 military observers, 93 international staff and 168 local staff.

10. The Advisory Committee was provided with expenditure data for the period from 1 July 2001 to 30 June 2002 as at 31 January 2001. Expenditure for the period amounted to $15,240,500 gross ($14,374,500

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net) against an apportionment of $27,896,300 gross ($26,175,800 net).

Cost estimates for the period from 1 July 2002 to 30 June 2003

11. The proposed budget for the maintenance of UNOMIG for the period from 1 July 2002 to 30 June 2003 amounts to $35,535,300 gross ($33,735,900 net), as indicated in paragraph 1 of the report of the Secretary-General (A/56/815). The proposed budget represents a 31.6 per cent increase ($8,540,700), in gross terms, in relation to the apportionment for the current period ending 30 June 2002. Table 1 of the report contains a breakdown of the proposed budget of UNOMIG by category of expenditure and variances in requirements, compared with the current budget of the mission. As indicated in paragraph 2 of the report, the proposed increase of $8,540,700 reflects an increase of $463,200, or 3.4 per cent, in civilian personnel costs, an increase of $8,035,500, or 100.6 per cent, in operational costs, an increase of $198,000, or 104.7 per cent, in other programmes and an increase of $187,500, or 11.6 per cent, in staff assessment; the increases are partially offset by a decrease of $343,500, or 8.9 per cent, in military personnel costs.

12. The proposed staffing requirements for UNOMIG provide for an increase of 11 posts in the category of international staff and 7 posts in the category of locally recruited staff, as follows:

(a) One P-2 post for the Office of the Chief Military Observer;

(b) One P-2 post and one Local level post for the Office for the Promotion and Protection of Human Rights;

(c) One Field Service post for the Air Operations Safety Section;

(d) Two Field Service posts and one Local level post for the Transport Section;

(e) Five Field Service posts for the Security Section;

(f) One General Service post and two Local level posts for the Engineering Section;

(g) One Local level post for the Personnel Section;

(h) One Local level post for the General Services Section;

(i) One Local level post for the Communications and Information Technology Section.

13. Information in support of the proposed additional staffing is contained in paragraphs 23 to 37 of the report (A/56/815). With regard to the proposed establishment of a P-2 post for the Office of the Chief Military Observer, the Committee notes from paragraph 23 of the report that, in the past, the military observers were tasked to provide support for the Joint Fact-finding Group, which investigates all violations of the Moscow Agreement and all cases that may be related to acts of sabotage, terrorism or politically motivated acts directed against the civilian population in the UNOMIG area of responsibility. In the view of the Secretary-General, the lack of continuity of service of the rotating military observers has proved to be a serious shortcoming, apart from insufficient administrative, legal and language skills. **The Advisory Committee has no objection to the proposal for the establishment of the P-2 post. The Committee recommends, however, that the continued need for the post be reviewed and reported in the context of the next budget submission for UNOMIG.**

14. Information in support of two new posts (1 P-2 and 1 LL) for the Office for the Promotion and Protection of Human Rights is provided in paragraph 24 of the report. The Committee notes that these posts are proposed in conjunction with the establishment of a branch office for human rights at Gali. As shown in section VIII, table B, of the report, the current staffing establishment of the Office provides for two professional posts (1 P-5 and 1 P-2) and two Local level posts. **The Committee recommends the establishment of the requested 1 P-2 and 1 Local level posts for the Office.**

15. The Committee has no objection to the proposed establishment of a Field Service post of air safety assistant in the mission headquarters at Sukhumi. Taking into account, however, that four additional posts (1 P-3, 1 FS and 2 LL) were authorized for an Air Operations Unit for the current financial period, the Committee requests that **the mission justify in detail the division of responsibilities among the staff involved in providing support for air operations and that the continued need for the air safety**

assistant post be reviewed and reported in the context of the next budget submission for UNOMIG.

16. As indicated in paragraph 26 of the report, the implementation of the Carlog system in UNOMIG as of September 2001 requires an international staff member at the Field Service level with specialized training to control and monitor the system in the mission area. The Committee sought additional information on the Carlog system and was informed as follows:

> "The Department of Peacekeeping Operations formally introduced the Carlog software in the United Nations Protection Force (UNPROFOR) during 1994/1995. The use of the system was then extended to the United Nations Mission in Bosnia and Herzegovina (UNMIBH) with the transfer of vehicle assets from UNPROFOR. The system was evaluated and subsequently enhanced with core United Nations transport functionalities for use in all peacekeeping missions. The functionality of the system is to provide the Transport Section with statistical data related to the use of the vehicle and ensure proper maintenance schedules, recording of liberty mileage and evaluation of fuel efficiencies. The system is currently a standard and in use in multiple missions with acquisition possible through a systems contract. The Department of Peacekeeping Operations will continue to use the enhanced Carlog application to ensure efficient management of a peacekeeping mission's vehicle fleet."

17. **Despite the information referred to above, the Committee is not yet convinced that the expense of procurement, installation and maintenance of the Carlog system in UNOMIG is cost-effective (further comments on this matter will be contained in the Advisory Committee's general report on peacekeeping operations). Moreover, the Advisory Committee recalls that, upon request, the Transport Section was provided with an additional Field Service post for the current financial period in connection with the issues of proper management of transport assets and training of relevant personnel. It is the view of the Committee that the functions of the proposed Field Service post for the Carlog system may overlap somewhat with the functions of the Field Service post already established for the management of transport assets. The Committee does not recommend, therefore, the establishment of a Field Service post for the Carlog system.**

18. An additional Field Service post is requested for an armoured vehicle specialist/driving instructor in order to reduce the number of accidents involving these vehicles and to create more awareness concerning the operation, maintenance and general care of the vehicles (see paras. 27 and 28 of the proposed budget). The Committee sought information on the number of accidents involving armoured vehicles and was informed that there had been 19 accidents/incidents involving armoured vehicles for the period from August 2000 to December 2001 owing to poor driving skills of military observers who are not accustomed to driving heavy vehicles. **The Committee has no objection to the proposed establishment of one Field Service post for an armoured vehicle driving instructor.**

19. Information on the proposed establishment of an additional Local level post for a vehicle mechanic in the transport workshop at Sukhumi is contained in paragraph 29 of the report (A/56/815). As indicated therein, the main transport workshop of UNOMIG is located in Zugdidi and, although Sukhumi is the operational headquarters, there is no maintenance facility at that location; the workshop at Gali specializes in minor repair of the mine-protected and ballistic-protected vehicles. The Committee observes also that the majority of the Mission's four-wheel-drive vehicles are concentrated at Sukhumi and are sent to the main workshop at Zugdidi for repairs. **The Committee requests, therefore, that consideration be given to relocating the main repair transport workshop to Sukhumi. In the meantime, the Committee does not recommend the establishment of an additional post for a vehicle mechanic.**

20. As indicated in paragraph 30 of the report, five additional Field Service posts are requested for security functions at Sukhumi headquarters, which houses both the offices and living accommodations of the Special Representative of the Secretary-General. The Committee sought clarification as to why the posts are proposed as Field Service rather than Security Service posts; however, the information was not provided the Committee in time. **The Committee has no objection to the establishment of these five posts. However, in view of the fact that 12 additional Local level posts were authorized for the Security Section for the current financial period, the Committee requests**

that the mission review the continued need for these posts and report on the results of the review in the context of the next budget submission for UNOMIG.

21. The establishment of a General Service post is requested for an additional international construction supervisor to oversee road and bridge repair projects which have a direct impact on the operational patrolling activities of the military observers in the Zugdidi and Gali sectors. As indicated in paragraph 32 of the proposed budget, "the work of local contractors, engineers and project hired local staff requires coordination and supervision on a daily basis by an international staff member". **The Committee observes that responsibilities assigned to the post, as described in paragraph 32 of the report of the Secretary-General, appear quite demanding and it questions, therefore, whether the grade of the proposed post is commensurate with such responsibilities. The Committee requests that this matter be reviewed and the results reflected in the next proposed budget. In the meantime, the Committee recommends the establishment of a General Service post for a construction supervisor.**

22. In connection with the proposed establishment of two Local level posts for a generator mechanic and for a building management assistant described in paragraphs 33 and 34 of the report, the **Committee points out that the budget submission does not contain information on whether alternative solutions, including outsourcing, were considered by the administration of the mission. Moreover, no information is provided to substantiate the deficiencies of the current means of management and the need for their change. For example, no satisfactory explanation is provided as to why the buildings maintenance functions previously performed by contractors should be assigned to a new Local level post (see para. 32 of the report). The Committee cautions, therefore, against what appears to be a tendency towards attempting to resolve administrative, logistical and other challenges faced by the mission by resorting to proposals for additional staffing resources. The Committee does not recommend the establishment of these two Local level posts.**

23. **The Committee finds insufficient justification for the proposed establishment of a Local level post for the Personnel Section and a Local level post for the General Services Section and does not recommend the establishment of these posts.** The Committee recalls that a new General Service post for a Travel Assistant for the Sukhumi travel section and an additional eight Local level posts were authorized, as requested, for the General Services Section for the current budget period. **The Committee takes the view that the need for any additional staffing requirements for the travel section in Sukhumi should be met through redeployment within the General Services Section.**

24. With regard to the additional Local level post in the Personnel Section, the Committee notes from paragraph 35 of the report (A/56/815) that the proposal reflects the increased workload due to an overall increase in the staff of the mission over the last two budget periods and an additional increase of 18 posts requested in the proposed budget. The Advisory Committee recognizes that there was a considerable increase in local staff of the mission during the last two budget periods, namely, from 139 during 1999/2000 to 176 in 2001/2002. Local staff, however, did not always perform the functions for which the posts were authorized, which resulted in redeployments within the mission (see, for example, para. 36 of the report of the Secretary-General in document A/55/768). **It is the view of the Committee that, with the increased number of Local level posts, it should have been much easier to redeploy, if necessary, the required staff to the Personnel Section. As far as an anticipated increase of 18 staff for the coming budget period is concerned, the Committee holds the view that this matter cannot be regarded as a valid basis for requesting additional staff for the Personnel Section, since, inter alia, the extent to which the staffing proposals for the mission will be granted remains yet to be decided by the General Assembly.**

25. In connection with the proposed establishment of a Local level post for the Communications and Information Technology Section, the Committee notes from paragraph 37 of the report that there are currently four Local level posts for electronic data-processing assistants that are distributed among the Sukhumi, Zugdidi and Tbilisi sectors and the additional Local level post is requested for the Gali Sector. The Committee recalls that two additional Local level posts were authorized, as requested, for the current budget period for the Electronic Data-Processing Section.

The Committee does not recommend the establishment of this Local level post.

26. Section IX of the report (A/56/815) deals with objective-setting. **The Committee points out that the General Assembly requested that the Secretary-General ensure, inter alia, that the development and attainment of objectives are reported on through the financial performance reports of the missions. The Committee holds the view that attempts should be made to link objectives with resources and to demonstrate how resources provided for administration, management, security and other areas contributed to achieving the administrative and managerial objectives of the missions. The Committee also holds the view that the format used in providing information on objective-setting in peacekeeping operations need not simply be an adaptation or even a replica of the format used in results-based budgeting. The Committee trusts, therefore, that consideration will be given to establishing a format for objective-setting that will be most appropriate to the tasks and particularities of peacekeeping operations.**

27. Annex I.C, paragraph 1, to the report (A/56/815) provides information on costing assumptions used in the proposed budget for the mission. The requirements under military personnel reflect a 15 per cent turnover factor against the authorized strength of 135 military observers. Requirements for military observers provide for rotation travel upon completion of the normal period of service. The cost estimates for international staff take into account a 10 per cent vacancy factor. Local staff costs are inclusive of a 5 per cent vacancy factor. The cost estimates provide for 69 per cent of the staff in the Professional and Field Service categories to be employed as mission appointees.

28. The estimated requirements of $13,815,900 under civilian personnel reflect an increase of $463,200, or 3.4 per cent, compared with the amount of apportionment for the budget period 2001/2002. The increase is partly due to the proposed establishment of 18 posts, discussed in paragraphs 12 to 25 above. The Committee notes from annex II to the cost estimates that travel requirements for travel show significant growth, compared with the previous budget submission. For example, travel to the mission of political/military officers and administrative specialists and implementation teams from the Department of Peacekeeping Operations would increase from $6,834 to $22,500, or by 229 per cent, and from $6,834 to $36,950, or by 440 per cent, respectively; similarly, requirements for travel of departmental aviation specialists would increase from $3,417 to $8,100, or by 137 per cent, although an Air Operation Unit was established in the mission during the current budget period which should, in the view of the Committee, reduce the need for headquarters aviation specialists to visit the mission. **The Committee is of the opinion that the mission should review its travel requirements with a view to achieving economies.**

29. **The Committee observes that no contribution is made by the Government of Georgia under the status-of-mission agreement (see section IV of the report). The Committee sought clarification on the matter; however, it was not provided with the information on time. The Committee requests that clarification in this regard be provided for the Fifth Committee.**

30. The Committee notes that a significant increase is proposed under operational requirements ($8,035,500, or 100.6 per cent) the bulk of which ($5,018,500) falls under air operations. As indicated in annex I.C, paragraph 13, to the cost estimates, the increase under air operations is due to the proposed addition of a light tactical utility helicopter and a change in the fixed-wing aircraft to a faster medium transport jet aircraft with same-day turnaround capability between Tbilisi and Istanbul. As far as the additional helicopter is concerned, the Committee notes from annex I, paragraph 14, to the report that it "would provide greater manoeuvrability in the conflict zone and an increase in the number of air patrols. It will also be very useful for medical evacuation cases and VIP transportation". The Committee observes that the cost of monthly flying hours for the additional helicopter is the same as the cost of the helicopters that are currently used by the mission. **The Committee has no objection to the proposed additional helicopter.**

31. With regard to the proposed replacement of the current fixed-wing aircraft with a faster jet aircraft, the Committee notes from annex I, paragraph 14, to the report that "the mission's operational capability has been hampered by the lack of an aircraft capable of completing return flights to and from Istanbul and other European destination in the same day". The Committee also notes from annex II to the report that the rental cost of the proposed jet aircraft is estimated at $291,666 per month, compared with $30,100 for the

current aircraft; the monthly cost of fuel for the jet aircraft will also increase from $40,800 to $80,000. The Committee sought information on major air carriers that fly into and out of Tbilisi, Georgia, and was informed that four major airlines (British Airways/British Mediterranean, Turkish Airlines, Austrian Airlines and Aeroflot) fly there currently two to four times a week each. **In view of the significant cost of the aircraft replacement and the availability of commercial air carriers operating in Georgia, the Committee does not recommend the change to the type of aircraft proposed as a replacement.**

32. **The Committee questions the justification for including a provision for positioning/depositioning of aircraft in each proposed budget, given the fact that aircraft used by the mission are not replaced annually. The Committee requests that non-replacement of aircraft should be taken into account by the mission during its preparation of cost estimates.**

33. The requirements of $369,000, representing an increase of 100 per cent, compared with the appropriation for the current budget period, is proposed under training programmes. As shown in the table in paragraph 21 of annex I.C to the report, training will be arranged for 145 participants in 14 programmes. **The Committee observes that information on the training programmes included in paragraph 21 of annex I.C to the report appears too generic: each training programme should be designed to meet specific needs of the mission as carefully identified through administrative and management risk analysis.**

34. The actions to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 2002 to 30 June 2003 are set out in paragraph 3 of the proposed budget. **The Advisory Committee recommends that the amount of $31,705,800 gross ($29,927,700 net) be approved for the maintenance of UNOMIG for the 12-month period from 1 July 2002 to 30 June 2003, and that that amount be assessed at a monthly rate of $2,642,150 gross ($2,493,975 net) should the Security Council decide to continue the mandate of the Mission.**